

Markets

SFE 200 Futures (9.30am AEDT)	7118	166	2.4
NZX 50	12018	95	0.8
DJIA Futures	33994	0	0.0
S&P 500 Futures	4380	0	0.0
NASDAQ Futures	14181	0	0.0

Local Markets Commentary

The Australian market commences a new week's trade on the last trading day for February with developments in Russia's attack on Ukraine forefront.

Since overnight Friday trade:

- Ukraine has agreed **talks** with Russia, but rejected Belarus as Russia's suggestion for hosting these, and has nominated several alternative locations;
- Russia has announced its **nuclear forces** are on high alert;
- Russia has been reported to be tagging streets and buildings with symbols and devices in Ukraine's capital **Kyiv**, locals urged to remove and destroy these.
- Several Western allies have frozen the assets of **Russia's central bank**, preventing the international sale of assets to fund Russian entities and interests;
- Western allies have also barred select Russian banks from using the international payments system **SWIFT** (Society for Worldwide Interbank Financial Telecommunication). Russia and China have each set up alternative systems in the past several years however, the System for Transfer of Financial Messages (SPFS) and the Cross-Border Interbank Payment system (CIPS) respectively.
- A growing number of nations, including Australia, has pledged to provide **military equipment**, including **weapons**, to Ukraine;
- Germany** announced it would bolster national military spending and revamp its military forces; and
- BP** has announced it will divest its 19.75% holding in Russia's state-owned oil company **Rosneft**, BP's CEO and another BP member of the Rosneft board immediately resigning their Rosneft directorships.

Locally today, a wave of domestic **earnings** reports is expected through close of trade, plus several material domestic economic data releases due ahead of a Reserve Bank of Australia (RBA) policy meeting tomorrow.

The Melbourne Institute-TD Securities' monthly **inflation gauge** is due 11am AEDT.

This will be followed at 11.30am by January **retail sales** plus December quarter **business inventories** and **company gross profits**, as calculated by the Australian Bureau of Statistics (ABS).

At the same time, the RBA is due to report January financial aggregates, including **private sector credit**.

Post-ASX trade, the RBA reports **international reserves** and **foreign currency liquidity**.

Today's Stock Watch

Southern Cross Electrical Engineering (SXE)

1c fully franked interim dividend from no dividend a year ago.
48.2% higher, \$6.7M interim NPAT.
86.8% higher, \$252.95M revenue.
20.8c NTA from 18.8c.

ZipCo Ltd (Z1P)

Trading halt called this morning ahead of the company's scheduled release of interim results.

Resources

Newcrest Mining (NCM)

All Canadian regulatory approvals in hand for the proposed acquisition of Pretivm Resources, as announced 9 November 2021.

Grange Resources (GRR)

10c fully franked final dividend from 2c a year ago.
58% higher, \$322.26M full year NPAT.
49% higher, \$781.66M revenue.
62c NTA from 75c.

Dacian Gold (DCN)

\$42.94M interim net loss from a \$13.63M net profit a year ago.
42% lower, \$77.92M revenue.
DCN produced 45% fewer ounces of gold during 1H FY22 than for 1H FY21.
24.8c NTA from 30.4c at 30 June 2021.

Base Resources (BSE)

Flat, A3c interim dividend.
403% higher, \$US19.21M interim NPAT.
44% higher, \$US104.615M sales revenue.
US12c NTA from US15c.

Strike Resources (SRK)

Funding in hand, including a \$US7.2M loan facility with Good Importing International, for the WA Pilbara Paulsens East iron ore project stage one development.
SRK is resuming from a trading halt having last traded at 10.5c.

Calidus Resources (CAI)

Anticipating the first gold pour for the WA Pilbara Warrawoona gold project by the end of May.
On-budget commissioning update lodged pre-trade.

Gascoyne Resources (GCY)

Several WA Gascoyne region Gilbey's North high-grade RC drilling intersections lodged this morning.



A batch of large-cap and high-profile stocks, including **AZJ**, **CCP**, **CWY**, **EVN**, **FMG**, **SDF** and **WOR**, is among those trading **ex-dividend** today. Please see pp3-4 for a detailed ex-dividends list.

Regionally today, **Japan** is expected to report January **industrial production** and **retail sales** 10.50am AEDT.

In overnight Friday commodities trade, **oil** turned to settle lower.

US **gold** futures also swung lower, to close below \$S1890/oz.

Iron ore (Nymex CFR China, 62% Fe) fell to settle below \$US142/t.

LME (3mth evening) **copper** posted a slight increase, **nickel** rallied and **aluminium** declined modestly.

The **\$A** appreciated to ~US72.20c after falling below US71.90c early Friday evening.

Earlier this morning, the **\$A** dropped as low as ~US71.70c.

NB: South Korea's markets will be closed tomorrow due to a public holiday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	34059	835	2.5
S&P 500	4385	96	2.2
NASDAQ	13695	221	1.6
FTSE 100	7849	282	3.9
DAX 30	14567	515	3.7
Shanghai Comp	3451	21	0.6

Overseas Markets Commentary

Major European, UK and US equities markets opened a little higher overnight and despite some vacillations, all key indices trended higher to settle with notable gains.

Financial institutions exposed to large Russian companies suffered market price falls, however.

In Russia-Ukraine developments, Russia told Ukraine to surrender and spare bloodshed, and also announced it was willing to talk with Ukraine's leadership, before advancing on the Ukraine's capital Kyiv.

Ukraine reported a chemical tanker in the Black Sea and a cargo ship due to load grain at Odessa suffered Russian missile attacks on Friday.

In Russia, the central bank bolstered cash supplies to ATNs after demand soared to levels not seen since March 2020.

A **US Federal Reserve** bi-annual monetary policy report delivered to Congress warned the factors behind price inflation had broadened since 2021.

The Fed offered inflation was not primarily impacted by supply chain issues, but also by wage increases in part related to labour shortages.

The Fed also noted that 'worker effort ... appears to be elevated, possibly above sustainable levels'.

Earlier, **International Monetary Fund (IMF)** MD Kristalina Georgieva had maintained the broader economic impact of sanctions against Russia due to the conflict in Ukraine would largely come through higher energy and grain prices, pushing up inflation.

Pre-Open Announcements

MyDeal.com.au Ltd (* MYD)

\$6.87M interim net loss following a \$2.31M net loss a year ago. 55% higher, \$32.895M ordinary activities revenue. \$8.51 NTA against \$12.92.

Good Drinks Australia (GDA)

30% lower \$2.53M interim NPAT.

16% higher, \$32.87M revenue. 37c NTA from 6c.

1H FY21 results were bolstered by \$979,500 worth of Jobkeeper payments.

Anteris Technologies (AVR)

\$22.907M full year net loss from a \$15.275M loss a year ago. 10% higher, \$7.791M revenue. \$1.19 NTA from 16c.

Spheria Emerging Companies (SEC)

62.6% lower \$9.57M interim NPAT. 61.4% lower, \$14.90M revenue. \$2.582 NTA from \$2.270.

Sparc Technologies (SPN)

\$7.37M interim net loss. 5.73c NTA against 6.83c.

MotorCycle Holdings (MTO)

12c fully franked interim dividend from 10c a year ago.

26% lower, \$12.8M NPAT. 8% higher, \$234.6M revenue.

93c NTA from 81c.

Resources

Castillo Copper (* CCZ)

Queensland Mt Isa region Big One deposit initial resource estimated at 2.1Mt @ 1.1% Cu, for 21,886t of copper.

Ragnar Metals (* RAG)

RAG and WestOz Lithium Pth Ltd have mutually agreed a termination of the HoA covering the proposed RAG acquisition of WestOz and its lithium tenements.

RAG plans to focus on the Tullsta nickel project, in particular the Granmuren Deeps nickel-copper find.

Bellevue Gold (* BGL)

BGL has appointed former Northern Star Resources (ASX: NST) GM finance and previous Perth Mint finance manager Guy Moore as CFO, taking over from Michael Naylor whose plans to become a non-executive BGL director were flagged December 2021.

BCI Minerals (* BCI)

\$5.51M interim net loss from a \$31,000 net profit a year earlier.

36% lower, \$34.24M revenue.

35c NTA from 22c.

BCI recouped 5.48% Friday, settling at 38.5c.

Fortescue Metals Group (FMG)

Cao Zhiqiang has resigned as an FMG non-executive director in association with the end of his term as Hunan Valin Iron & Steel Group Company chair.



Also overnight Friday, **European Central Bank** (ECB) president Christine Lagarde assured the ECB would ensure liquidity and access to cash and would 'take whatever action' to ensure price and financial stability.

Ukraine-Russia developments would be considered as part of the 'comprehensive' economic outlook assessment that would underpin decisions at the 10 March ECB policy meeting.

Late Thursday, EBC chief economist Philip Lane had reportedly ventured to ECB policy makers that the conflict in Ukraine could reduce euro zone GDP by ~1.0%.

He reportedly offered this as the most severe scenario of preliminary estimates at present and that forecasts would be refined ahead of the March meeting.

Mr Lane also prepared policy members for an upward revision of likely inflation growth during 2022.

Among overnight Friday **data** releases, **Germany's** final December quarter GDP reading represented 0.3% contraction, but against an initial estimate of a 0.7% fall.

September quarter GDP had been finalised at 1.7% growth.

Against the December quarter 2021 however, Germany's GDP had grown by 1.8%.

January import prices were calculated 4.3% higher for the month and 26.9% higher than for January 2021. Forecasters had expected prices to grow 2.4% during the month.

In the **euro zone**, loans to households and businesses were reported 4.3% and 4.4% respectively higher during January than for January 2021.

A 114 February economic sentiment reading represented a 1.3-point increase for the month following forecasts for a 0.7-point rise.

The **UK** GfK February consumer confidence index (reported during ASX trade Friday) represented a further deterioration in sentiment, estimated at -26 from -19 following expectations for an improvement of sorts, to -16.

January domestic vehicle production, released at the same time, proved 20.1% lower than for January 2021. Forecasters had anticipated a 2.3% year-on-year decline.

In the **US**, January personal income came in flat for the month, but spending was calculated 2.1% higher. 0.1% and 0.7% respective increases were expected following a 0.4% rise in December income against a 0.8% drop in spending.

January durable goods orders climbed 1.6% for the month, following December's 1.2% rise and expectations for a 0.4% increase.

Pending home sales dropped 5.7% for the month, defying expectations for a 6% jump following a 2.3% fall in December.

Pending sales were down 9.5% compared with January 2021.

The University of Michigan's final 62.8 February consumer sentiment estimate represented a 4.4-point fall for the month, but forecasts had included a drop to 61.7.

Tonight in the **US**, January wholesale inventories and the Chicago Fed and Dallas Fed February manufacturing indices are due.

Companies listed to report earnings later today and tonight include Associated British Foods, Daewoo Shipbuilding, HP Inc and Zoom Video Communications.

FMG trades ex-dividend (86c) today.

Trading Halts

Company	Code	Resuming
Harvest Technology Group	HTG	28 Feb
Nanollose Ltd	NC6	28 Feb
Sayona Mining	SYA	28 Feb
Tombola Gold	TBA	28 Feb
Buddy Technologies	BUD	1 Mar
Kalium Lakes	KLL	1 Mar
Mindax Ltd	MDX	1 Mar
QX Resources	QXR	1 Mar

Suspensions *(selected)*

Company	Code	Since
Canyon Resources	CAY	23 Feb
Delecta Ltd	DLC	15 Feb
Lake Resources	LKE	24 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AZJ	Today	10.5	95	7.93
CCP	Today	38	100	2.25
CIN	Today	40	100	2.09
CWY	Today	2.45	25	1.63
ECP	Today	2.1	100	3.56
EVN	Today	3	100	2.86
FMG	Today	86	100	19.25
HT1	Today	3.9	100	1.83
HUM	Today	1.7	100	0.00
LFS	Today	7.85	100	3.96
MCP	Today	3	100	5.43
MEA	Today	2.5	100	2.56
MOT	Today	0.62	0	6.15
MXT	Today	0.67	0	4.16
PGG	Today	0.68	0	4.58
PIA	Today	1.35	100	4.09
SDF	Today	5.2	100	2.43
SXY	Today	5	0	1.95
VNT	Today	1.47	100	0.00
WOR	Today	25	0	4.17
APX	Tomorrow	5.5	50	1.51
AUB	Tomorrow	17	100	2.55
BGA	Tomorrow	5.5	100	2.10
DMP	Tomorrow	88.4	70	1.04
EBG	Tomorrow	3.5	0	0.00
EDV	Tomorrow	12.5	100	0.99



In overnight Friday and weekend corporate news, **Berkshire Hathaway** reported a 45% year-on-year increase in December quarter operating profit to \$US7.29B and 11% net profit growth to \$US39.65B, the figures in part bolstered by **Apple** accounting for ~50% of the group's stock holdings.

BP announced it would divest its 19.5% holding in **Rosneft**, which accounted for ~20% (£2B) of BP's recently-announced 2021 profit.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1887.6	oz	-38.7	-2.0
Silver (NY) (Mar)	24.01	oz	-0.68	-2.8
Gold (LON)	1885	oz	-52	-2.7
Platinum	1055	oz	0.0	0.0
WTI Crude (NYMEX Apr)	91.59	bbl	-1.22	-1.3
Brent Crude (ICE EUR Apr)	99.93	bbl	-1.15	-1.2
Iron Ore (NYMEX CHN port;62%Fe)	141.76	t	-0.90	-0.6
Copper (LME 3mth Evening)	9880	t	25	0.3
Nickel	24453	t	223	0.9
Aluminium	3361	t	-14	-0.4
Lead	2371	t	23	1.0
Zinc	3627	t	16	0.4
Tin	44540	t	-380	-0.9

Commodities Commentary

Oil – price volatility continued overnight Friday, Brent crude trading as high as \$US101.99/bbl and WTI at a peak of \$US95.64/bbl.

The International Energy Association (IEA) announced its 31 members had agreed that day to 'act in solidarity to ensure global energy security'.

Meanwhile, analysts pointed out orders for Russian crude had slowed amid uncertainty regarding the payment terms amid various sanctions, associated Western bank guarantee issues, shipping constraints and talk of potential strategic petroleum reserve releases from other nations including the US.

Swedish refiner Preem confirmed it had 'paused all trading in Russian crude oil pending further information on possible sanctions'.

An estimated 50% (2.3MMbbl/d of 4.6MMbbl/d) of Russian crude exports reportedly typically goes to Western nations.

OPEC+, of which Russia is a member, is due to meet Wednesday to decide whether to maintain the current further planned 400,000bbl/d increase in output for April.

Brent May futures dropped \$US1.30/bbl (1.4%) for the session, settling at \$US94.12/bbl.

A weekly US petroleum drill rig report, published overnight Friday, included two additional operating oil rigs, taking the tally to 522.

Gold – prices fell overnight Friday amid rising gains for equities markets.

The \$US index dropped by ~0.46%.

The US Federal Reserve chair is scheduled to meet with US parliamentary committees Wednesday and Thursday, his comments considered likely to influence at least some gold sentiment.

Thursday and Friday respectively, the ISM services reading and US

EGH	Tomorrow	0.63	0	1.79
GAP	Tomorrow	1	50	6.06
HGH	Tomorrow	5.12	0	4.90
HMC	Tomorrow	6	100	1.86
IDX	Tomorrow	4	100	3.57
NBI	Tomorrow	0.8	0	6.56
ORA	Tomorrow	8	0	3.81
ORG	Tomorrow	12.5	0	3.50
SDG	Tomorrow	12	100	4.14
WOT	Tomorrow	3	0	2.21
ADA	Wed	2.75	0	5.97
AEF	Wed	3	100	0.96
ASH	Wed	3	100	6.04
BFG	Wed	6.5	100	7.59
CAF	Wed	0.5	100	3.92
CGO	Wed	1.5	100	9.62
LNK	Wed	3	100	1.89
MFD	Wed	2	100	2.09
OML	Wed	1	100	0.00
PTM	Wed	10	100	10.00
QIP	Wed	3	100	6.07
SYM	Wed	3.3	100	1.34
TIP	Wed	0.25	100	0.00
TLS	Wed	8	100	1.27
TWE	Wed	15	100	2.41

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	AKE	Interim (w/cast incl Q&A 11.30am)
	DDR	Full year (w/cast tele 11am)
	GNE	Interim (webinar 9am)
	HLA	Interim (w/cast 3.30pm)
	IVC	Full year (w/cast tele 9.30am)
	M7T	Interim (webinar 9.30am)
	MYD	Interim (w/cast midday)
	SXE	Interim
	WPR	Full year (w/cast tele 10am)
	Z1P	Interim (tele 10.30am)



February employment statistics could also sway trade.

Base metals – overnight Friday, the London Metals Exchange (LME) requested members holding positions with Russian entities or individuals not to forward payments.

Key metals prices slipped as major Western nations attempted to avoid sanctions against Russia that could significantly impact commodities trade.

Some analysts pointed out trade could be curtailed by Russia, given sanctions announced against Russia's president Vladimir Putin overnight Friday.

Among traditionally influential data releases, China's official February PMIs, plus a manufacturing PMI from Caixin, are anticipated tomorrow.

Usually end-of-month positioning may be usurped tonight by positioning directly related to developments in Russia's attack on Ukraine.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7182	-0.0040	-0.55
EUR – USD	1.1149	-0.0124	-1.10

Australian Data Today

Melb Inst/TD Securities	Inflation gauge	Feb
ABS	Retail sales (prelim)	Jan
ABS	Business inventories	Dec Q
ABS	Company gross profits	Dec Q
RBA	Financial aggregates	Jan
RBA	International reserves (4.30pm)	Jan
RBA	Forex liquidity (4.30pm)	Jan

US Data Today & Tonight

Wholesale inventories	Jan
Chicago Fed manufacturing index	Feb
Dallas Fed manufacturing index	Feb

Overseas Data Today & Tonight

Japan	Industrial production (prelim)	Jan
Japan	Retail sales	Jan
Japan	Housing starts (4pm AEDT)	Jan
Japan	Construction orders (4pm AEDT)	Jan

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